

**Form 1017 and Form 1018**  
**Attachment 1**

**Purchase of Durable Medical Equipment (DME) in Specialized Services**

12-2016

1. Some durable medical equipment (DME) is available for purchase as a service in the nursing facility (NF) Medicaid program for specialized services-eligible NF residents when medically necessary and prior authorization is obtained from the Health and Human Services Commission (HHSC).
2. DME is defined as equipment that can withstand repeated use and is primarily and customarily used for medical purposes. The DME benefit under the specialized services program is limited to the following, including any accessories/adaptations needed to operate/access the item:
  - customized manual wheelchair (CMWC);
  - gait trainer;
  - standing board;
  - special needs car seat or travel restraint;
  - specialized/treated pressure reducing support surface/mattress;
  - positioning wedge;
  - prosthetic device; and
  - orthotic device (such as ankle-foot orthotic and knee-foot orthotic).
3. For an individual to be eligible for the benefit of the above listed DME in specialized services, the following requirements for requesting the DME must be met:
  - The resident's physician must document that the DME requested is medically necessary;
  - The DME request must contain a written assessment and recommendation from the appropriate medical professional, as specified on Form 1018, specifying that the DME item is medically necessary and recommending the specific DME being requested; and
  - The cost of each DME item must be greater than \$1,000, but less than \$5,000, with the exception of CMWCs.
4. When a DME item is requested by a resident or the resident's legal representative, the NF must obtain an evaluation from the appropriate medical professional for the DME requested. If the evaluation recommends the DME requested, the NF must complete and submit all required forms to HHSC to request authorization.
5. To be eligible for reimbursement, the NF must request and receive authorization from HHSC **prior to purchasing any DME item.**
6. An NF must **not** submit the claim for payment of the DME to HHSC prior to delivery of the DME.
7. An NF must submit the claim for payment of the DME to HHSC within one year after the date of purchase of the DME.
8. If HHSC denies a request for reimbursement because the NF failed to obtain authorization prior to purchase of the DME, the NF is responsible for the cost of the DME and may not charge the cost to the resident or family.
9. An NF must fully explore and use other funding sources to pay for the DME item before submitting the request for prior authorization to HHSC. If another funding source is available but will not cover the total cost of the DME item, the NF may request that HHSC authorize payment of the remaining balance if the requirements in subsections (1) - (21) of this attachment are met.

10. After receiving authorization from HHSC, the NF must purchase the authorized DME.
11. All DME purchased for a resident becomes the property of the resident.
12. Items that do not fall into one of the above categories are not reimbursable as DME through specialized services.
13. All DME items submitted for authorization to HHSC must be submitted using the form(s) specified by HHSC.
14. A CMWC is a wheelchair that consists of a manual mobility base and customized seating system. A request for a CMWC must meet the following requirements to be eligible for authorization by HHSC:
  - The wheelchair must be medically necessary, adapted and fabricated to meet the individualized needs of the resident, and intended for the exclusive and ongoing use of the resident.
  - Components of the customized seating system must be in part or entirely usable only by the resident for whom the manual wheelchair is adapted and fabricated.
  - Each request must contain:
    - a completed CMWC request form;
    - an evaluation that assesses the resident's need for the CMWC, recommends the CMWC, and specifies the necessary components the CMWC requires to meet the resident's mobility and positioning requirements;
    - a statement signed by the resident's attending physician that the CMWC is medically necessary;
    - a detailed breakdown of proposed CMWC specifications from the CMWC supplier, and
    - acknowledgement and signature of the NF administrator.
  - The evaluation of the resident for a CMWC must be by an occupational therapist (OT) or physical therapist (PT) licensed in the state of Texas prior to purchase of the CMWC. The OT or PT evaluation must include:
    - the diagnosis relevant to the need for a CMWC;
    - a description of the CMWC recommended, including how the seating system needs to be customized to the resident's specific needs and any additional adaptations being recommended;
    - a description of how the CMWC will meet the specific needs of the resident;
    - a description of specific training needs for use of the device, including training needs of the resident, NF staff and family (when applicable); and
    - a written statement from the therapist indicating that the resident is physically and cognitively capable of independently managing a manual wheelchair.
  - Payment for OT or PT evaluations may be obtained through Specialized Services, as described in Texas Administrative Code (TAC) §19.1306.
15. Following a review of the authorization request, the NF and resident will receive a written approval or denial of the request from HHSC. If the request is approved, the NF will promptly make arrangements to purchase the DME. If the request is denied, HHSC will send a notice of denial to the NF resident informing the resident of the right to request a Medicaid fair hearing in accordance with 1 TAC Chapter 357, Subchapter A.
16. Only the resident can use the DME and it must be identified as the personal property of the resident.
17. The resident's comprehensive care plan must document that the DME is medically necessary.
18. Upon discharge from the NF, the resident retains the DME. If the resident dies, the DME becomes property of the resident's estate. As part of the estate, the DME is subject to all applicable Medicaid Estate Recovery Program (MERP) requirements, as detailed in 1 TAC Chapter 373. If the DME is donated or sold to the NF by the resident or executor of the resident's estate, the transaction must be documented in accordance with §19.416 of this chapter (relating to Personal Property).

19. As required by §19.2601(b)(8)(C) of this chapter (relating to Vendor Payment [Items and Services Included]), the NF is required to maintain and repair all medically necessary equipment for its residents, including any DME obtained under this section.
20. Requests for replacement of DME obtained under this section must be submitted in the same manner as the original prior authorization of the DME outlined in this section. Replacement DME may be requested no earlier than five years after the original date of purchase, unless the request includes an order from the prescribing physician familiar with the resident and an assessment by a physician or licensed OT or PT with documentation supporting why the current DME no longer meets the resident's needs. HHSC does not authorize replacement in situations where the DME has been abused or neglected.
21. The medical professionals that may complete the assessment/recommendation for DME in the specialized services program are as indicated below:
  - CMWC – OT or PT;
  - gait trainer – OT or PT;
  - standing board – OT or PT;
  - special needs car seat or travel restraint – OT or PT;
  - specialized/treated pressure reducing support surface/mattress – OT or PT;
  - positioning wedge – OT or PT;
  - prosthetic device; and
  - orthotic device (such as ankle-foot orthotic and knee-foot orthotic).